



STATE OF TENNESSEE
DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT
DIVISION OF WORKFORCE SERVICES
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Workforce Services Policy – Utilization of Work Readiness Certificates (*Includes National Career Readiness Certificates [NCRCs]*) - WIOA

TN-WIOA (18-1)

Effective Date: February 8, 2018

Duration: Indefinite

Subject:

WIOA policy on Work Readiness Certificates, including National Career Readiness Certificates (NCRCs)

Purpose:

This policy addresses requirements and allowable contexts associated with the expense and utilization of career readiness certificates.

Scope:

Adult Education (AE), American Job Center (AJC), American Job Center Access Point (AJC Access Point), Chief Local Elected Official (CLEO), Division of Workforce Services (WFS), Local Workforce Development Areas (LWDAs), Local Workforce Development Boards (LWDBs), Office of the Governor, Office of Registered Apprenticeship (RA), One-Stop Service Delivery System Operator (Operator), Regional Council (RC), Rehabilitation Services (RS), State Workforce Development Board (SWDB), Tennessee Department of Education (TDOE), Tennessee Department of Economic and Community Development (TDECD), Tennessee Department of Human Services (TDHS), Tennessee Department of Labor and Workforce Development (TDLWD), Tennessee Eligible Training Providers (TETPs), Workforce Innovation and Opportunity Act (WIOA), Workforce System Partners (Partners), Workforce System Subrecipients (Subrecipients)

References: Uniform Administrative Requirements 2 CFR 200.403(a); 20 CFR 677.150(a); 20 CFR 677.150(b); 20 CFR 678.400(c); 20 CFR 678.430; 20 CFR 678.435(b); 20 CFR 678.435(b)(1); 20 CFR 678.435(c); 20 CFR 678.440(d); 20 CFR 680.110(b); TEGL 15-10; TEGL 17-05; TN-WIOA

(17-1) Allowable and Disallowed Costs, Including Food Policy; TDLWD Division of Adult Education Assessment Policy

Background:

Work readiness certificates may be utilized as a screening tool to assist both employers and job seekers. These certificates enable job seekers to obtain a standardized certificate to enhance their marketability to employers; employers utilize the certificates to set standards for their workforce. Utilization of these certificates must adhere to requirements set forth in WIOA performance regulations, including allowable and non-allowable costs principles. Although NCRCs are the more commonly utilized certificate, the principles outlined in this policy — as well as applicable codes of federal regulations — should be applied to all work readiness certificate models.

The Employment and Training Administration (ETA) recognizes NCRCs as a certificate and not as a credential (**TEGL 17-05 and TEGL 15-10**). They are not included in ETA's definition of an approved credential because they do not document measurable technical or occupational skills necessary to gain employment or advance within an occupation (as required in ETA's definition of credential). This does not mean that these certificates cannot assist in preparing people for the workforce, or that some employers do not value these certificates. ETA guidance encourages local areas to utilize all tools they find necessary to assist in educating, training, and employing individuals. The Tennessee Department of Labor and Workforce Development (TDLWD) encourages local areas to utilize work readiness certificates; however, when utilizing WIOA funding to make work readiness certificate opportunities available, local areas must adhere to the fiscal guidelines set forth with the administration and utilization of WIOA funding.

I. Registration and WIOA Enrollment Requirements:

Adults and dislocated workers receiving services (other than self-service) funded through Title I funds must be enrolled and must be a participant (**20 CFR 680.110(b)**). Thus, any individual that participates in the NCRC or other work ready certificate process through the use of Title I WIOA funding must be both eligible for and enrolled in WIOA. WIOA Title I funds utilized on non-WIOA participants will be considered disallowed costs.

Individuals receiving NCRC assistance through the use of Title I formula funds must be registered into Jobs4TN.gov and enrolled in WIOA.

For individuals to be eligible to utilize WIOA funds to cover the fee for the NCRC or other work readiness certificates, staff must first determine if the individual is eligible for WIOA (**20 CFR 678.430**). If eligible, customers should be enrolled; WIOA funding may be used for the fee along with other supportive services based on the needs of the job seeker.

Eligible Participants/Performance:

Participant and a reportable individual are defined as:

Participant: A reportable individual who has received services other than the services described in paragraph (a)(3) of this section, after satisfying all applicable programmatic requirements for the provision of services, such as eligibility determination. **(20 CFR 677.150[a])**

Reportable Individual: An individual who has taken action that demonstrates an intent to use program services and who meets specific reporting criteria of the program, including:

- (1) Individuals who provide identifying information;
- (2) Individuals who only use the self-service system; or
- (3) Individuals who only receive information-only services or activities. **(20 CFR 677.150[b])**

Individuals receiving services such as work readiness certificate testing through the use of WIOA funding should be considered reportable participants.

Note: If the individual is not an enrolled participant in WIOA Title I then Section III of this document covers how the NCRC (or other work ready certificates) may be administered utilizing fees for services to employers.

II. Allowable/Reasonable/Necessary Costs:

An allowable cost is defined as a cost to a particular award or other cost objective if the goods or services involved are chargeable or assignable to the award or cost objective in accordance with relative benefits received **(TN-WIOA (17-1) Allowable and Disallowed Costs, Including Food)**. Expenditures of WIOA Title I funds are allowable only for those activities permitted by WIOA regulations. Allowable costs must be necessary and reasonable for the performance of a federal award **(20 CFR 200.403[a])**. The following questions can be used to determine if the costs are reasonable and necessary:

A. Reasonable:

1. Do I have the capacity to use what I am purchasing? (Subrecipient must provide a narrative on efficient and effective use when requesting WIOA funds and drawdowns from TDLWD)
2. Did I pay a fair rate?
3. Do I have documentation to support a fair rate was paid? (Documentation must be submitted)
4. If I were asked to defend this purchase, would I be comfortable doing so?

B. Necessary:

1. Is this item or service needed to meet grant goals?

2. Is this the minimum amount I need to spend to meet my need?
3. Repetition and frequency
4. Costs are similar to that which would be incurred by a reasonable and prudent person

C. Examples of Allowed and Disallowed Costs:

Administering a NCRC test, or other work readiness certificate tests, to an individual who is currently employed at local self-sustainable levels is neither reasonable nor necessary. Administering the NCRC to a participant who is underemployed, unemployed, or has barriers to employment would be considered a reasonable and necessary cost.

Example 1: *Jane Doe is a single Mother with 2 children, currently employed at \$9.00 per hour and only working 30 hours per week. Jane wishes to apply for a position that pays \$14.00 per hour, 40 hours per week, with benefits. The employer requires a NCRC test. The Local Area should enroll Jane into WIOA, provide supportive services as needed, and utilize WIOA funding for the NCRC fee. **Allowed***

Example 2: *John Doe is employed at \$20.00 per hour, but wishes to apply for a position that pays \$23.00 per hour. The employer requires or desires to utilize the NCRC as part of the application/screening process. Utilizing WIOA funding for the NCRC fee in this scenario is not a reasonable or necessary expense. The Local Area should utilize the ability of a fee for service to employers to cover the fee of the NCRC for John Doe. **Disallowed***

III. Fees to Employers for Administering NCRCs to Non-WIOA Participants:

- A. 20 CFR 678.400(c)** states a fee may be charged for services provided under **20 CFR 678.435(b) and (c)**. Services provided under **20 CFR 678.435(c)** may be provided through effective business intermediaries working in conjunction with the LWDB and may also be provided on a fee-for-service basis or through the leveraging of economic development, philanthropic, and other public and private resources in a manner determined appropriate by the LWDB. The LWDB may examine the services provided compared with the assets and resources available within the local one-stop delivery system and through its partners to determine an appropriate cost structure for services, if any.
- B. 20 CFR 678.435(b)(1)** states that customized business services may be provided to employers, employer associations, or other such organizations. These services are tailored for specific employers and may include:
 - (1) Customized screening and referral of qualified participants in training services to employers.

NCRCs and other work readiness certificates would be classified as a customized screening.

C. Program Income:

20 CFR 678.440(d) states that any fees earned are recognized as program income and must be expended by the partner in accordance with the partner program's authorizing statute, implementing regulations, and Federal cost principles identified in Uniform Guidance. Fees recognized as program income must be reported on the 9130 monthly report.

IV. Basic Skills Deficiencies

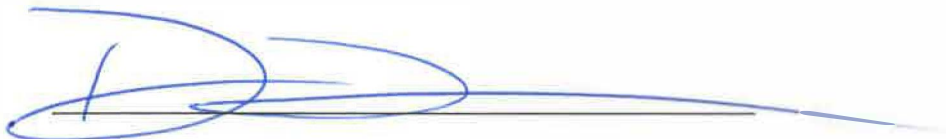
NCRCs should not be utilized as an assessment tool for determining basic skills deficiencies. Per the ***TDLWD Division of Adult Education Assessment Policy***, the only assessments allowable to determine adult education functioning levels in Tennessee are Comprehensive Adult Student Assessment Systems (CASAS) and Test of Adult Basic Education (TABE). LWDBs should consult with their Adult Education partners to establish proper basic skills deficiencies assessments within the American Job Center (AJC) system.

Contact:

For any questions related to this guidance, please contact Nicholas Bishop - Director of Compliance and Policy for Workforce Services at Nicholas.Bishop@tn.gov

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